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SUBJECT: NEW ZEALAND'S PM SORTS OUT MINISTERS' PORTFOLIOS

REF: 05 WELLINGTON 807

(U) Classified by: Political-Economic Counselor Katherine B. Hadda. Reasons: 1.4 (b) and (d).

[¶1.](#) (C) New Zealand Prime Minister Clark has decided that Jim Sutton, who on December 31 wrapped up his tenure as trade negotiations minister, will remain a minister of state inside Cabinet. Former Foreign Minister Phil Goff has taken over as trade negotiations minister. The prime minister provided Sutton with a face-saving way to be eased out of an important role in government, while not answering critics who questioned why she put out to pasture a seasoned and effective trade negotiator at a critical stage in the World Trade Organization talks.

[¶2.](#) (U) After the September 17 elections in which Sutton lost his electorate seat but returned to Parliament by virtue of his ranking on the Labour Party's at-large list, PM Clark designated Goff as the next trade negotiations minister -- a position that Sutton had held for six years. Clark on December 22 appointed Sutton as a minister of state, and the turnover in the trade negotiations portfolio was postponed to December 31 to allow Sutton to participate in the Doha Round negotiations in Hong Kong. In late January, Clark informed government ministers that Sutton would remain in Cabinet, a privilege not usually extended to ministers of state.

[¶3.](#) (C) The prime minister had given Goff the option of removing from his portfolio the responsibility for representing New Zealand at WTO talks, but he chose not to do so, according to an adviser. Goff -- who attended the WTO mini-ministerial in January in Davos, Switzerland -- also is the minister of defense, disarmament and arms control, Pacific Island affairs and trade.

[¶4.](#) (C) Sutton had lost touch with his electorate due in large part to his globe-trotting role as trade negotiations minister. At age 64, he is perceived to be in the twilight of his legislative career. There also is no love lost between the prime minister and Sutton, who in 1996 was one of five Labour MPs who asked Clark to step aside as party leader. Meanwhile, giving Goff the trade negotiations portfolio was seen as a means to compensate him for sacrificing his previous position as foreign minister, which went to New Zealand First leader Winston Peters as a prize for his support in forming the government (reftel).

[¶5.](#) (U) Sutton will focus on bilateral and regional trade issues, lead trade missions and back up Goff in the WTO talks.

[¶6.](#) (U) Biographies of Sutton and Goff can be found on Embassy Wellington's website on the classified intranet: www.state.sgov.gov/p/eap/wellington.

